

Exhibit V

COMMENTS ON THE LOS ANGELES COUNTY MEDICAID DEMONSTRATION PROJECT EXTENSION PROPOSAL

SEPTEMBER 9, 1999
LOS ANGELES COUNTY

This is a summary of the issues presented at the hearing held in Los Angeles County on September 9, 1999, and written testimony received by the State of California by the close of the public comment period on September 15, 1999 regarding the Los Angeles County's (County) proposed request to extend the Medicaid Demonstration Project. The hearing was held pursuant to Welfare and Institutions Code, Section 14497, and Title 22, California Code of Regulations, Sections 53520 and 53522.

Public-Private Partnerships:

COMMENT: The role of community clinics, as partners with the County, related to Waiver activities, should be codified to ensure that the [partnership] relationship continues, minimally, as long as the Waiver is in existence.

RESPONSE: The State believes that this recommendation is unnecessary. The special terms and conditions for the Medicaid Demonstration Project specifically define the County's health care delivery system as including contract private clinics that provide health services to the indigent. Further, state and federal approval of the waiver provide assurance that this component of the County's health care delivery system will continue throughout the duration of the Medicaid Demonstration Project.

The County may enter into agreements with community-based providers for the provision of ambulatory care services for the medically indigent population, using HCFA approved model agreements. These "partnership" agreements are subject to approval by the County Board of Supervisors and annual budget deliberations that make them difficult to "codify" as part of a County ordinance.

COMMENT: The terms and conditions [for the extension request] should include the budgetary commitments that [County] DHS will make to fund the [ambulatory care] expansion each year.

RESPONSE: The State believes that the public commitment to the proposed waiver by the Board of Supervisors provides a clear assurance that the Board will make funding of the County's obligations under the waiver a priority. Annual budgetary allocations and service expansion levels are subject to annual, public budget deliberations by the Board. These obligations provide ample opportunity for interested parties and the public, in general, to express continued support for the project.

COMMENT: There should be additional resources for the public-private partnerships for medical and dental primary care services.

RESPONSE: While a higher level of support for increased access to primary care services is desirable, the State believes that the proposed waiver extension demonstrates a significant commitment to these services. The County has entered into partnership agreements with community-based organizations to provide primary, specialty, and dental care services. Under the extension proposal, the County seeks to achieve an additional 900,000 ambulatory care visits.

The County has conducted, and plans to continue conducting annual assessments of each service planning area through a community-based planning process to determine the priorities and services needed, e.g., primary care, specialty, dental, etc. The intent is to provide accessible health services based on the specific needs and priorities of the community. See pages 16, 36, and 49 of the extension proposal.

COMMENT: The County's public-private partnership program should be expanded and provide culturally and linguistically competent and sensitive health promotion and disease prevention outreach, particularly for high-risk and vulnerable communities.

RESPONSE: The State and County concur with this recommendation. Under the Waiver extension, the County is proposing three specific initiatives that will address this concern: (1) improve the information to and communication with consumers and stakeholders on ambulatory access to ambulatory care and other needed services; (2) develop and implement coordinated programs to increase prevention and health promotion for high-risk populations; and (3) reduce cultural and linguistic barriers to access. See pages 44, 46, and 50 of the extension proposal.

COMMENT: The County should maximize federal and state revenue resources by billing existing programs in order to ensure that Waiver funding reaches the greatest number of patients.

RESPONSE: With respect to services provided by PPP providers, the County's claims adjudicator matches all claims against the Medi-Cal eligibility file to ensure that PPP patients are billed to the appropriate program prior to payment by the County.

COMMENT: The County should provide technical and financial support for sites in its provider network to aid [providers with limited resources or those without access to in-house technical expertise] in the reporting of accurate [cost, utilization, and quality] data.

RESPONSE: The State supports the County's efforts to comply with this recommendation. The County plans to implement the DHS Information Technology Open Architecture Strategic Plan for 2000-2005. This will include improving submission of encounter data from both its facilities and PPP providers. The County will pursue federal assistance to implement this system, and the potential of funding to assist PPP providers will be addressed with HCFA.

Under the current PPP arrangements, on a case-by-case basis, the County plans to lend computer equipment to PPP providers to improve communication among the public-private provider network via Internet e-mail. After initial set-up and training provided by the County, PPP providers will be responsible for monthly maintenance fees and ongoing operational costs associated with the installed computer systems.

Healthy Students Partnership Amendment:

COMMENT: The Healthy Students Partnership (HSP) amendment should address the reproductive health needs of students in Los Angeles County [students enrolled in HSP-participating schools].

RESPONSE: The County is proposing a HSP program that provides the full scope of ambulatory care services subject to parental consent. The specific type of services will be determined by the needs of students through a community-based planning process.

Performance Standards

COMMENT: The County Department of Health Services should establish a precise timeline for the completion of baselines for home health services, telephone and triage encounters, and referrals.

RESPONSE: The County will develop specific action plans and timelines for each of the proposed goals and objectives included in the extension proposal, which will include establishing baseline measures as indicated in the extension proposal. The baseline measures used will be subject to the type of data and funding level available.

COMMENT: The terms and conditions [for the extension request] should include a plan for how the [County] DHS will include the public-private partnership provider network in the planning process for developing performance indicators.

RESPONSE: The State accepts this recommendation. Under the Waiver extension, the County is proposing a specific initiative, calling for investment in planning and evaluation functions. [See page 49 of extension proposal.](#) The County will continue to involve PPP providers in these functions, as it currently does under the existing PPP program, through its "All Partners" meetings and the "Monitoring and Evaluation Committee" meetings.

COMMENT: The County's objectives related to "Ambulatory Care Advisory Council," "Improved Communication on Ambulatory Care Access and Services," and "Improved Access/Quality of Outpatient Services" need to be better defined and specific benchmarks established to measure progress. The terms and conditions [for the extension request] should include specific benchmarks for enrollment activities for Healthy Families (California's version of the federal CHIP) and Medi-Cal, with a commitment from the County's social services department to improve application processing for enrollment in these programs.

RESPONSE: Specific benchmarks to measure progress will need to be developed subject to what is approved as part of the Waiver extension. The County is planning to develop specific action plans for each of the proposed goals and objectives that are funded as part of the Waiver extension.

COMMENT: The County should adopt and monitor ambulatory care standards.

RESPONSE: The County plans to develop and refine performance indicators and set standards for ambulatory care for all providers delivering care to all patient groups (e.g., GR and PPP), as indicated in the proposal. Through enhanced monitoring, the County plans to improve the performance of safety net systems for Medi-Cal and uninsured populations. See page 43 of proposal.

COMMENT: The County should take into consideration and make available additional resources needed by PPP providers to meet monitoring and performance standards.

RESPONSE: The County plans to develop and refine performance indicators and set standards for ambulatory care for all providers delivering care to all patient groups (e.g., GR and PPP), as indicated in the proposal. While marginal cost of each additional patient may increase in inefficient delivery systems, the County believes that high quality health care can be provided by PPP and GR providers within the existing reimbursement rates (which include a per patient monthly case rate for patients with ambulatory care sensitive conditions).

Uniform Eligibility Process

COMMENT: The County should obtain the commitment from both federal and state programs to apply the new

eligibility process to all categorical programs for which community clinics contract [with the County].

RESPONSE: The County proposes to establish a work group comprising State, County, and local stakeholders to address the development of a streamlined eligibility process. See page 43 of extension proposal.

COMMENT: The Waiver needs to include an integrated policy for addressing women's health needs countywide and an emphasis in providing comprehensive women's health services. This should include a policy for simplified financial eligibility and blended funding streams to allow the County to meet women's health needs as efficiently and effectively as possible.

RESPONSE: The County's Board of Supervisors established the Office of Women's Health in October 1998 to provide a comprehensive focus on women's health issues, develop program initiatives to improve women's health status in Los Angeles County including gender-based integrated care for women and adolescents. For specific objectives related to women's health, see pages 47 and 48 of the extension proposal. With respect to streamlining financial eligibility and blending funding streams, please see response above.

COMMENT: The State should try to ensure that a truly uniform, simplified eligibility system that works for all patients—and that such a system, designed to eliminate the number one barrier to access [i.e., financial]—is implemented in Los Angeles County as part of the demonstration project.

RESPONSE: The State is committed to developing a simplified eligibility process for Medi-Cal and to continuing to identify and remove barriers to access for Medi-Cal eligible persons. When improvements are made, they will be implemented statewide.

The County plans to address this concern by establishing a work group involving the State, County, and local stakeholders to deal with this issue. See pages 43 of the extension proposal.

COMMENT: The County should eliminate barriers to health care services by simplifying the financial eligibility process ("ATP").

RESPONSE: The County has completed analysis of several scenarios regarding implementation of a simplified financial eligibility process at its facilities and determined that implementation of such a system would result in loss of patient revenue. The County is developing a pilot project to assess the impact on revenue loss and the implications of such revenue loss on services.

COMMENT: The County must be required to demonstrate that low income families and individuals below 133^{1/3}% of the federal poverty level, and those without an ability to pay, who use or attempt to access the County public/private ambulatory care system are not in fact being charged for outpatient and preventive services, and will not be charged under the Waiver extension.

RESPONSE: Under the current PPP agreements, the County requires PPP providers to provide services to eligible PPP patients at no cost. Through implementation of improved monitoring, the County will be able to identify any problems that restrain or impose fees on eligible patients in obtaining services covered by contractual agreement under the PPP program. In addition, the County has established a toll-free consumer hotline for PPP patients to report complaints or other problems. Finally, the County intends to establish an independent monitoring/ombudsman function as part of a system-wide Quality Improvement Process. See page 55 of the proposal.

Project Evaluation

COMMENT: The State and County departments of health services and local stakeholders should have a say in selecting the [federal] project evaluator as well as in developing evaluation parameters.

RESPONSE: Since the demonstration project is a federal project, the federal government (i.e., HCFA) selects its project evaluator independent of the State and County. The State/County review draft reports before the evaluator submits final reports to HCFA.

COMMENT: The County should implement concrete data collection and monitoring procedures, and such data collection must protect patient confidentiality.

RESPONSE: The County plans to improve its data collection and monitoring procedures, as indicated in the proposal. The County maintains patient data confidentiality.

Inpatient Services

COMMENT: The County's project plan for fiscal years 2000-01 through 2004-05 must describe how the potentially adverse impact of a 600-bed sized facility [LAC+USC Medical Center replacement hospital] will affect the County's ability to achieve its Waiver goals and how it intends to meet the needs of the estimated 200+ patients who will be unable to find an inpatient bed [in LAC+USC Medical Center catchment area].

RESPONSE: The specific configuration of the County's health delivery system, including the replacement of the existing LAC+USC Medical Center, is a local decision under the authority of the County's Board of Supervisors. Goal I of the extension proposal is to "Maintain appropriate inpatient capacity that delivers cost-effective services to vulnerable populations" (see pages 35 and 38 of the proposal). One of the

objectives under that goal is to reduce preventable hospitalizations by 10% at each of the County's hospitals. Providing the appropriate level of care, including inpatient care, to vulnerable populations is consistent with overall Waiver objectives and is possible without pre-determining bed capacity of the replacement hospital.

Outpatient Services

COMMENT: The County's ambulatory care expansion plans lack a coherent vision and a clearly articulated plan. A clear vision and plan should be articulated in future versions of the Waiver documents, including the replacement LAC+USC Medical Center's outpatient capacity.

RESPONSE: The County is in the process of developing a multi-year ambulatory care plan. In addition, the County's Office of Ambulatory Care is developing a plan to operationalize the ambulatory care expansion objectives outlined in the Waiver extension proposal. This document will be available to the public following its approval by the County's Board of Supervisors. Finally, the Waiver extension includes a funding request to expand funding to include hospital-based outpatient specialty visits.

COMMENT: In addition to ambulatory care services, the County should also focus on mental health and substance abuse services.

RESPONSE: As indicated in the proposal, the County plans to improve the integration of mental health, alcohol/drug program services with ambulatory care services to ensure continuity in service delivery between the various service providers.
See page 50 of the extension proposal.

COMMENT: Regarding the implementation of disease management programs, the County should ensure that the disease management programs identified correspond to the conditions that are most prevalent among the indigent individuals in the County.

RESPONSE: The disease management conditions included in the proposal are based on analysis of the prevalence and cost of acute and chronic diseases in its hospital patient population.

Barriers to Health Access

COMMENT: There are several barriers impacting timely access to specialty care services. The generic goal of reducing wait times for specialty care clinics to no less than 21 days for 80% of specialty clinics should be flexible to account for specific medical needs and disease category of patients.

RESPONSE: The 21-day standard is flexible to accommodate quicker appointments as required by medical necessity and disease acuity. The standard is not intended to be inflexible.

COMMENT: Barriers to health access such as transportation, child care, and out-of-pocket medical expenses must be addressed and eliminated if women are to seek preventive health.

RESPONSE: The County has included specific initiatives, as outlined in the proposal, to address women's health issues including access barriers. See page 47 and 48 of the proposal.

COMMENT: The County should ensure that patients who are not receiving care in the emergency room can obtain care in ambulatory care settings.

RESPONSE: The State concurs with this recommendation and supports the County's efforts to reduce inappropriate emergency room (ER) use and deliver health services in the most appropriate and cost-effective setting. Under the

Waiver, the County has made significant efforts to increase geographic access points and primary care services (and some specialty services). Additionally, the County is enhancing and expanding its ER initiatives, targeting high ER user populations. Enhanced tracking systems will facilitate ER utilization data collection and analysis by user type, and will result in better patient management and the development of appropriate, user-population-specific ER utilization controls. See page 40 of the proposal.

Patient Satisfaction

COMMENT: There needs to be independent consumer assistance for those patients who are having trouble accessing care [in the County provider network].

RESPONSE: The State concurs with this recommendation. As indicated in the extension proposal, the County intends to establish an independent monitoring/ombudsman function as part of its efforts to create a system-wide Quality Improvement Process. See page 55 of the proposal.

COMMENT: Independent validation of the patient assessment survey results should be conducted in light of the issues that arise with self-reported surveys.

RESPONSE: The patient satisfaction study was conducted using the Consumer Assessments of Health Plans (CAHPS) questionnaire, which has been tested for reliability and validity among low-income populations, specifically Medicaid populations. All items were pre- and pilot-tested in English and a subset of the core questions and Medicaid-targeted items were pre- and pilot-tested in Spanish. Researchers from the University of California at Los Angeles conducted the patient assessment survey.

System Sustainability

COMMENT: A critical area that must be addressed is the sustainability of the County health system beyond the Waiver extension period, particularly in light of the growing medically indigent, uninsured population and changes in the health care market impacting providers' ability to provide charity care.

RESPONSE: The County recognizes the importance of developing a sustainable County safety net system beyond the Waiver period and therefore, as indicated in the extension proposal, various initiatives, e.g., the Healthy Students Partnership amendment, are designed to increase health coverage for vulnerable populations. Additionally, as indicated in Exhibit IV (RESTRUCTURING/STABILIZATION PROPOSAL) of the proposal, the County is seeking to institutionalize financing arrangements to the extent that successful program changes demonstrate efficient use of resources.

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Having reviewed the testimony and condensed the comments as presented in this report, and prepared the appropriate responses, the State Department of Health Services hereby issues this report.

DATED: _____

JOSEPH KELLY
HEARING OFFICER

NOTE: ORIGINAL SIGNED AND DATED 9/30/99.